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British Virgin Islands

Working paper prepared by the Secretariat

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Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 8 December 2016. Further details are contained in previous working papers available from www.un.org/en/decolonization/workingpapers.shtml.

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The Territory at a glance

Territory: The British Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor John S. Duncan (August 2014).

Geography: Located approximately 100 km east of Puerto Rico and 25 km from the United States Virgin Islands, the Territory comprises a group of some 60 islands, islets and cays that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The major islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

Land area: 153 km^2.

Exclusive economic zone: 80,117 km^2.

Population: 28,200 (2010 census), of which 39 per cent are citizens, or "belongers". The great majority of "non-belongers" hail from countries in the Caribbean region, North America and Europe.

Life expectancy at birth: 76.5 years (men: 72.9 years, women: 80.8 years (2015 estimate)).

Language: English.

Capital: Road Town, located on the largest island, Tortola.

Head of territorial Government: Premier Daniel Orlando Smith.

Main political parties: National Democratic Party; Virgin Islands Party.

Elections: Most recent: 8 June 2015; next: due by the end of September 2019.

Legislature: 15-member unicameral House of Assembly.

Gross domestic product per capita: $31,300 (2013 estimate).

Economy: Financial services and tourism.

Main trading partners: The United States of America, the United Kingdom and the States members of the Caribbean Community.

Unemployment rate: 2.8 per cent (2014).

Monetary unit: United States dollar.

Brief history: The earliest known inhabitants of the Territory were the Arawaks and the Caribs, indigenous peoples of the region. The Dutch established the first permanent European settlement in 1648. British planters took control of the islands in 1666 and the Territory attained the status of a British colony.

I. Constitutional, political and legal issues

1. In accordance with the Virgin Islands Constitution Order 2007, the British Crown appoints a governor whose responsibilities include defence, internal security, external affairs, the terms and conditions of service for persons in the public service and the administration of the courts. In some areas of external affairs that relate to certain matters falling within ministerial portfolios, the Constitution provides for the territorial Government to have delegated responsibility. The United Kingdom of Great Britain and Northern Ireland has reserved powers to make laws for the peace, order and good government of the British Virgin Islands. In terms of external relations, the territorial Government is entrusted to negotiate treaties in specific areas, such as matters related to the offshore financial services industry.

2. The 2007 Constitution provided for a more formally structured cabinet-style Government for the executive branch. The Cabinet consists of the Governor; the Premier, appointed by the Governor from among the locally elected members of the House of Assembly; four other Ministers, appointed by the Governor on the advice of the Premier; and one ex officio member, namely, the Attorney General. The Governor presides over the Cabinet but does not have a voting right. The agenda is agreed by the Cabinet Steering Committee, consisting of the Governor, the Premier and the Cabinet Secretary. The House of Assembly consists of a Speaker, the Attorney General (ex officio) and 13 elected members — 9 from one-member electoral districts and 4 representing the Territory at large.

3. General elections are constitutionally mandated to be held at least once every four years. Candidates are elected on the basis of a simple majority. Persons voting must be 18 years of age or over and have "belonger" status. Belonger status includes the right to work without a permit and the right to vote. In practice, a person must reside continuously in the Territory for 20 years before he or she may apply for permanent residence and, subsequently, belonger status. In the general election held on 8 June 2015, the incumbent National Democratic Party led by Premier Daniel Orlando Smith again won a majority, 11 of 13 of seats, whereas the Virgin Islands Party won the remaining seats.

4. The law of the British Virgin Islands comprises the common law of England and legislation that is enacted either by the territorial legislature or by the United Kingdom on behalf of the Territory. The judiciary is administered by the Saint Lucia-based Eastern Caribbean Supreme Court, which consists of the High Court of Justice and the Court of Appeal. There is a magistrates' court, which hears prescribed civil and criminal cases, a juvenile court and a court of summary jurisdiction. There are three resident High Court judges and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. The Privy Council of the United Kingdom is the final court of appeal. The British Overseas Territories Act 2002 provides for the granting of British citizenship to "British Overseas Territory citizens".

5. At the Pacific regional seminar held in Quito from 30 May to 1 June 2012, the representative of the British Virgin Islands stated that the Territory's position was to maintain its current relationship with the administering Power, built on mutual respect and a mature partnership, as the Territory continued to grow. Furthermore, speaking at the Caribbean regional seminar held in Quito from 28 to 30 May 2013,

the representative of the British Virgin Islands stated that, in his view, the Special Political and Decolonization Committee (Fourth Committee) should set specific achievable goals, taking into account the particularities of each territory, in order to further advance the decolonization process in all the territories.

II. Budget

6. The fiscal year of the Government of the British Virgin Islands runs from January to December. According to information provided by the administering Power, the estimated expenditure of the Territory for 2015 amounted to approximately $322.16 million, with estimated revenue of about $317.62 million. According to the 2016 budget address delivered on 8 February 2016, the revenue for 2016 is projected to be approximately $331 million, total recurrent expenditure about $287 million and capital expenditure nearly $42 million.

III. Economic conditions

A. General

7. The two main pillars of the economy of the Territory are tourism and offshore financial services. According to the administering Power, gross domestic product (GDP) for 2014 was $933.77 million, indicating growth of 4.1 per cent compared with the 2013 figures of $897.33 million. According to the medium-term fiscal plan of the territorial Government for the years 2016 to 2018, the economy of the Territory returned to positive growth in 2013, driven by growth in the hotel and restaurant, wholesale and retail and real estate, renting and business activity sectors.

B. Financial services

8. In 2015, financial services constituted approximately one third of overall economic activity in the Territory, as has been the case since 2010. In addition, the revenue from financial services remained unchanged in 2014, at $207.9 million, of which $200 million came from company incorporations and re-registrations, although the number of company incorporations in 2014 was down 4.7 per cent in comparison with 2013.

9. In the first six months of 2016, 16,223 companies were incorporated in the British Virgin Islands, compared with 23,413 companies incorporated during the same period in 2015, a decline of approximately 30 per cent. In 2015, close to 45,000 companies were incorporated in the Territory.

10. In the communiqué adopted at the fifth meeting of the Overseas Territories Joint Ministerial Council, held in London on 1 and 2 November 2016, the overseas territories and the United Kingdom reiterated their mutual determination to continue to tackle corruption, fraud, money-laundering and the financing of terrorism and weapons of mass destruction and to further enhance transparency and law enforcement cooperation in the context of financial services. They also reiterated their shared commitment to providing the leadership necessary to meet the June

2017 deadline for the implementation of new arrangements regarding the exchange of beneficial ownership information on companies incorporated in their jurisdictions and to continuing to provide the highest levels of law enforcement cooperation possible before that date.

11. In April 2016, the British Virgin Islands concluded a bilateral arrangement with the United Kingdom on the reciprocal exchange of beneficial ownership information, which is due to come into effect by June 2017 and will allow law enforcement authorities to have near real-time access to beneficial ownership information on corporate and legal entities incorporated in the respective jurisdictions.

C. Tourism

12. In 2015, more than 922,000 tourists visited the Territory, including some 516,000 cruise ship visitors, 393,000 overnight visitors and nearly 13,000 day trippers. Furthermore, in the first nine months of 2016, a total of 821,099 arrivals was recorded, including more than 315,000 overnight visitors and 491,000 cruise ship visitors.

D. Agriculture and fisheries

13. According to the administering Power, agriculture and fishing accounted for approximately 1.45 per cent of the Territory's GDP in 2014. Most food requirements are met through imports. Approximately 800 ha of land are cultivated and another 4,000 ha are devoted to pasture. The main crops are fruits and vegetables, produced for both local consumption and export. The United States Virgin Islands is the main importer of the agricultural and fishing products of the British Virgin Islands.

14. The Territory's Fisheries Act of 1997 and Fisheries Regulations of 2003 govern small-scale commercial and recreational fisheries, which serve mainly the local market.

E. Communications and infrastructure

15. The British Virgin Islands has more than 200 km of surfaced roads. The Government continues to upgrade road infrastructure and to expand the road network.

16. There are three international airports, including the main international airport, Terrance B. Lettsome International Airport on Beef Island. In January 2016, it was announced that direct flights between the Territory and the mainland of the United States of America would commence, according to the administering Power, by early 2017. The project, undertaken in partnership between the territorial Government and British Virgin Islands Airways, is estimated to cost $7 million over a three-year period. In addition, the territorial Government plans to extend the runway at the Terrance B. Lettsome International Airport to accommodate larger aircraft for direct continental flights. Direct shipping services operate from the Netherlands, the United Kingdom and the United States. A deep-water harbour is located in Road

Town. A regular ferry service links Tortola with some of the islands, as well as with the United States Virgin Islands.

17. The extension of the cruise pier in Tortola, along with landside development, which had commenced in 2014, was completed in early 2016 and was commissioned for service in March 2016. The total cost for completion of the project was estimated at approximately $82 million.

18. Physical planning in the British Virgin Islands is governed by the Physical Planning Act of 2004, under which all development in the Territory must be approved by the Physical Planning Authority.

19. Tortola is reportedly the only island in the Territory with a public sewage system, although it does not cover the entire island. According to the administering Power, the introduction of desalination in the 1980s notwithstanding, there is a need for the further development of the potable water system to meet the needs of the islands and, in 2015, the territorial Government continued to improve the Territory's public water and sewage system.

20. Broadband telecommunications, including Internet service, is available throughout the Territory. There are three major service providers, which are governed by a telecommunications regulatory regime established in 2006.

IV. Social conditions

A. Labour and immigration

21. According to statistics provided by the administering Power, in 2015, the employed population of the Territory was 19,657 persons, more than 60 per cent of whom were foreign workers. A majority of the employment is on the islands of Tortola and Virgin Gorda, sharing 85.1 and 10.8 per cent of the total, respectively.

22. The main employers are the territorial Government (21.3 per cent), followed by hotels and restaurants (16.8 per cent) and real estate, renting and business activity (16.3 per cent). On average, an employed person in the Territory earned $26,938.16 in 2015.

23. According to the administering Power, the total unemployment rate was 2.8 per cent in 2015, which has remained constant since 2010. The Government's Youth Employment Services initiative remains in operation, and efforts to register unemployed young people and provide basic job training and preparation skills through this initiative are ongoing.

24. In November 2014, the 17-member Minimum Wage Advisory Committee was formed on the basis of its approval by the territorial Government on 19 September 2014 in order to consider the effects of raising the minimum wage, which had remained at $4 per hour since 1999. The Committee recommended an increase in the minimum wage to $6 per hour in its report dated 21 July 2015. The report was presented in the House of Assembly on 2 November 2015. Effective 1 October 2016, the minimum wage is $6 per hour.

25. Work permit exemptions are granted by the territorial Government on the basis of enrolment in the school system (entrance at the primary level and completion at the secondary level), marriage to a belonger for a period of no less than three years or residency in the Territory of the British Virgin Islands for 20 years or more by a person who has demonstrated good character. According to the administering Power, the number of exemptions granted is considered on an annual basis.

B. Education

26. The education system in the Territory is guided by the Education Act 2004 and its amendments, including the Education (Amendment) Act 2014. The regulations contained therein are expected to provide guidance to the education system and its stakeholders regarding the implementation of programmes and services, the monitoring of the delivery of education programmes operated under the Act and the conduct of school supervision, including complaint investigations requested by the public.

27. The Territory has 14 public primary schools and 4 public secondary schools, in addition to 1 public pre-primary school and 1 public special education learning centre. There are also a number of private primary and secondary schools.

28. Primary and secondary education is free and compulsory for children aged 5 through 17. Tertiary education is offered for free to Virgin Islanders at the local community college (H. L. Stoutt Community College), which has campuses on Tortola and Virgin Gorda islands. The college also collaborates with several universities outside the Virgin Islands that offer programmes at the bachelor's degree level.

29. Students from overseas territories benefit from the home student rate for school fees at British universities, provided that they have lived in a British overseas territory, the European Economic Area or Switzerland for the three years prior to the first academic year of their course of study. In addition, those students have access to funding provided by the European Union for higher or vocational education.

C. Public health

30. The Health Services Authority of the Territory, a statutory body, was established in 2005 to manage public health-care delivery services. The National Health Insurance, providing universal health-care coverage, was launched in September 2015 and became operational in January 2016.

D. Crime and public safety

31. According to the administering Power, crime in the British Virgin Islands has fallen since 2012, with burglaries decreasing by 50 per cent in the first quarter of 2016, compared with the same period in 2015.

32. During 2016, the United Kingdom continued to provide funding for a law enforcement adviser based in Miami, United States, who coordinated, managed and facilitated training and the provision of strategic advice in order to introduce new techniques and skills to the Territory's law enforcement agencies. Furthermore, the HMS *Mersey* and RFA *Wave Knight* were in the Caribbean, from January to July and from July to December 2016, respectively, as part of the North Atlantic patrol tasking of the Royal Navy, ensuring a year-round maritime presence of the United Kingdom and providing humanitarian assistance, disaster relief and crisis communications support in the region. Both ships also worked with other regional navies and coast guards to combat illegal activities on the high seas. During the hurricane season, a larger Royal Navy or Royal Fleet Auxiliary ship is on standby to provide humanitarian and disaster relief support to Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Montserrat and the Turks and Caicos Islands.

E. Human rights

33. Major international and European human rights conventions have been extended to the British Virgin Islands. Chapter 2 of the 2007 Constitution enshrines fundamental rights and freedoms of the individual and provides for the establishment by law of a human rights commission. According to the administering Power, a bill entitled "Human Rights Commission Act", which had been originally introduced in the House of Assembly in November 2014, was reintroduced in 2016 for the first reading in the House. Some of the powers and duties of the human rights commission to be established include educating the public on the rights and freedoms in the 2007 Constitution and those relating to other international human rights instruments or activities. The judicial system continues to hear matters brought on the grounds of alleged infringements of human rights.

34. The first national policy for gender equity and equality was developed in 2011 with the objective of educating and changing public attitudes on gender roles and responsibilities and developing new strategies to eliminate domestic and other forms of gender-based violence and discrimination in the Territory.

35. In the communiqué adopted at the fifth meeting of the Overseas Territories Joint Ministerial Council, the United Kingdom and the overseas territories, including the British Virgin Islands, agreed to work together to conduct a review of reservations to core United Nations human rights treaties ahead of the preparation of the report of the United Kingdom under the universal periodic review conducted by the Human Rights Council, to be submitted in 2017. They also committed themselves to working together to further develop the capacity of territories' human rights institutions, where established, in line with the international standards set out in the principles relating to the status of national institutions for the promotion and protection of human rights (Paris Principles), and to deepening understanding of their shared obligations with regard to international human rights.

V. Environment

36. The British Virgin Islands has acceded to several multilateral environmental agreements, including the Convention on International Trade in Endangered Species

of Wild Fauna and Flora, the Convention on Biological Diversity and the Convention on Wetlands. According to the administering Power, since 2015, the Territory has been actively involved in global initiatives and specific projects on climate change adaptation, including the passage of the 2015 Climate Change Trust Fund Act, and in sustainable land management, in partnership with the European Union and the Organization of Eastern Caribbean States.

37. In 2014, the territorial Government passed legislation to establish a permanent shark sanctuary in its territorial waters and prohibit commercial fishing of all shark and ray species throughout those waters. In addition, according to the administering Power, public consultations have been held since 2014 to dedicate six new protected coastal and marine zones.

38. In the communiqué adopted at the fifth meeting of the Overseas Territories Joint Ministerial Council, in 2016, the Government of the United Kingdom and the overseas territories recognized the impact that climate change had on the economies, infrastructure and ecosystems of the territories and the important interest of the overseas territories in international efforts to combat and mitigate the effects of climate change. The Government of the United Kingdom committed itself to consulting with territorial Governments on the issue of the application of the Paris Agreement to the territories. It reiterated its full commitment to consulting the overseas territories ahead of its participation in international forums on climate change to ensure that their priorities were taken into account and to including them in delegations, where appropriate, while welcoming the territories' links with regional and international organizations.

VI. Relations with international organizations and partners

39. The British Virgin Islands has associate membership in the Economic Commission for Latin America and the Caribbean, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization.

40. The Territory is an associate member of the Caribbean Community, the Caribbean Common Market and the Organization of Eastern Caribbean States and is a borrowing member of the Caribbean Development Bank.

41. The Territory participates annually in meetings of the Inter-Virgin Islands Council between the British Virgin Islands and the United States Virgin Islands with a view to addressing mutual interests and challenges and fostering and promoting cooperation between the two Territories. Topics addressed in the meetings include law enforcement, pleasure boating and sport fishing, other maritime matters, cooperation in tourism, energy and utilities and culture and education.

42. As a Non-Self-Governing Territory of the United Kingdom, the Territory is associated with the European Union but is not a part of it. At the fifth meeting of the Overseas Territories Joint Ministerial Council, in 2016, the United Kingdom committed itself to involving Gibraltar and the overseas territories as it prepared for negotiations to leave the European Union, in accordance with their various constitutional relationships with the United Kingdom, to ensure that their priorities were taken into account.

VII. Future status of the Territory

A. Position of the territorial Government

43. The position of the territorial Government regarding the future status of the British Virgin Islands is reflected under section I, above.

B. Position of the administering Power

44. At the 7th meeting of the Fourth Committee, on 10 October 2016, during the seventy-first session of the General Assembly, the representative of the United Kingdom stated that the relationship of the Government of the United Kingdom with its overseas territories was a modern one based on partnership, shared values and the right of the people of each Territory to choose to remain British.

45. He went on to say that, since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, his Government had worked closely with the overseas territories to further develop those partnerships. At annual meetings of the Overseas Territories Joint Ministerial Council, the United Kingdom and the territories reviewed strategy and commitments and, in 2015, the United Kingdom had affirmed its commitment to the advancement of the peoples of the territories, their just treatment and protecting them from abuses and the importance of promoting their right to self-determination. His Government's fundamental responsibility was to ensure the security and good governance of the territories and their peoples.

46. In the communiqué adopted at the fifth meeting of the Overseas Territories Joint Ministerial Council, the Government of the United Kingdom and the leaders of the overseas territories stated that the principle of equal rights and self-determination of peoples, as enshrined in the Charter of the United Nations, applied to the peoples of the overseas territories. They reaffirmed the importance of promoting the right of the peoples of the territories to self-determination, a collective responsibility of all parts of the Government of the United Kingdom. They committed themselves to exploring ways in which the overseas territories could maintain international support in countering hostile sovereignty claims. It was also stated that, should a Territory with a permanent population wish it, the United Kingdom would continue to support its request to be removed from the list of Non-Self-Governing Territories. They agreed that the fundamental structure of their constitutional relationships was the right one — powers were devolved to the elected Governments of the territories to the maximum extent possible consistent with the United Kingdom's retaining those powers necessary to discharge its sovereign responsibilities. They also agreed upon the need to continue their engagement on those issues to ensure that constitutional arrangements worked effectively to promote the best interests of the territories and of the United Kingdom.

VIII. Action taken by the General Assembly

47. On 6 December 2016, the General Assembly adopted resolution 71/111 without a vote, on the basis of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples for 2016 (A/71/23) and the subsequent recommendation by the Fourth Committee. In that resolution, the General Assembly:

(a) Reaffirmed the inalienable right of the people of the British Virgin Islands to self-determination, in conformity with the Charter of the United Nations and with General Assembly resolution 1514 (XV), containing the Declaration on the Granting of Independence to Colonial Countries and Peoples;

(b) Also reaffirmed that, in the process of decolonization of the British Virgin Islands, there was no alternative to the principle of self-determination, which was also a fundamental human right, as recognized under the relevant human rights conventions;

(c) Further reaffirmed that it was ultimately for the people of the British Virgin Islands to determine freely their future political status in accordance with the relevant provisions of the Charter, the Declaration and the relevant resolutions of the General Assembly, and in that connection called upon the administering Power, in cooperation with the territorial Government and appropriate bodies of the United Nations system, to develop political education programmes for the Territory in order to foster an awareness among the people of their right to self-determination in conformity with the legitimate political status options, based on the principles clearly defined in Assembly resolution 1541 (XV) and other relevant resolutions and decisions;

(d) Recalled the 2007 Constitution of the British Virgin Islands, and stressed the importance of continued discussions on constitutional matters, to accord greater responsibility to the territorial Government for the effective implementation of the Constitution and increased levels of education relating to constitutional matters;

(e) Requested the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard called upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

(f) Welcomed the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

(g) Stressed the importance of the Special Committee's being apprised of the views and wishes of the people of the British Virgin Islands and enhancing its understanding of their conditions, including the nature and scope of the existing political and constitutional arrangements between the British Virgin Islands and the administering Power;

(h) Called upon the administering Power to participate in and cooperate fully with the work of the Special Committee in order to implement the provisions of Article 73 *e* of the Charter and the Declaration and in order to advise the Committee on the implementation of the provisions under Article 73 *b* of the Charter on efforts

to promote self-government in the British Virgin Islands, and encouraged the administering Power to facilitate visiting and special missions to the Territory;

(i) Reaffirmed the responsibility of the administering Power under the Charter to promote the economic and social development and to preserve the cultural identity of the Territory, and requested the administering Power to take steps to enlist and make effective use of all possible assistance, on both a bilateral and a multilateral basis, in the strengthening of the economy of the Territory;

(j) Took into account the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals, stressed the importance of fostering the economic and social sustainable development of the Territory by promoting sustained, inclusive and equitable economic growth, creating greater opportunities for all, reducing inequalities, raising basic standards of living, fostering equitable social development and inclusion and promoting the integrated and sustainable management of natural resources and ecosystems that supports, inter alia, economic, social and human development, while facilitating ecosystem conservation, regeneration, restoration and resilience in the face of new and emerging challenges, and strongly urged the administering Power to refrain from undertaking any kind of illicit, harmful and unproductive activities, including the use of the Territory as a tax haven, that are not aligned with the interest of the people of the Territory;

(k) Requested the Territory and the administering Power to take all measures necessary to protect and conserve the environment of the Territory against any degradation, and once again requested the specialized agencies concerned to monitor environmental conditions in the Territory and to provide assistance to the Territory, consistent with their prevailing rules of procedure;

(l) Requested the Special Committee to continue to examine the question of the British Virgin Islands and to report thereon to the General Assembly at its seventy-second session and on the implementation of the present resolution.